

# ADAMS CITY COUNCIL COMMITTEE REPORT

The Finance Committee was called to order on October 14, 2015 at 4:00 p.m.

On roll call were members: Roseberry, Hilson and Pantaleo (for Marti)

Others attending: Mayor LaQueue, Clerk/Treasurer Winters, St. Superintendent Berry and Jeff Cohan – CPA.

**Motion by Hilson, Second by Pantaleo to approve the minutes of the October 7, 2015 meeting as printed. All voted aye.**

**Petitions and Communications:** Mayor LaQueue stated that he talked to MSA regarding extending TIF#2 and using TIF#3 funds to help assist the TIF#2 deficit. Both would need to go before the Joint Review Board and the costs to MSA would be \$6,000-\$7,000. He spoke to Nathan Ward from US Cellular and they are in a rush to start building the tower. US Cellular is paying the cost to run fiber optic from Marquette-Adams Telephone Coop to the tower.

He gave an update on the Cable Advisory meeting. The representative from Marquette-Adams as well as representatives of A-F High School and the County attended. Discussed was programming and the possibility of installing fiber optic in the City. They estimate the project cost at \$2.5 million and gave preliminary statistics. He said this could be paid out of TIF funds, if included in the TIF. It was a consensus that when the School gets the cable channel running with City information and streamlining our Council meetings we would start payment again, if approved by Council.

Mayor LaQueue asked what our debt limit is. Winters stated our GO debt limit is \$2.7 million. That does not include our revenue bonds annual payments of \$329,254.00 for the Safe Water Drinking or Rural Development and distributed the details for both. She also distributed copies of several funding options for Local Governments.

Mr. Cohen stated that the three newest loans were previously paid out of TIF #2 and were changed to TIF #3. The auditors have questioned the transfer as they were TIF #2 debt only. In the 2016 budget he did budget the portions out of TIF #2 and out of TIF #3 the way they were. If through the audit the Auditors can transfer the debt back to TIF #2 if it shouldn't have been transferred. Roseberry asked what the most ideal & beneficial way would be to do the changes. Mr. Cohen stated to wait to see what happens with the TIF increments rather than spend the money. We would have to do something eventually as it is about \$500,000 deficit. The increments will be covering the debt with about \$30-\$40,000 overages to reduce the deficit and he does not think the deficit will be down by the end of 2020 (the year TIF #2 terminates). You can decide in the next year or two, wait to see how 2015 ends, but thinks we will still be in the deficit. They budgeted \$85,000 in 2015 to come from TIF and that isn't going to happen.

## Agenda Items:

**Review 2016 Budget - Draft.** Mr. Cohen presented the proposed 2016 draft budget. He stated the Tax Equivalent in the Water Utility was over \$104,000 and the Utility could not afford that. There was a base amount going back to 1994 of \$30,732. We asked the PSC if we could put that in as revenue and forgive the difference and they said we could. Adding the Tax Equivalent in the General Fund Budget, we only had a \$4,000 difference, and was that was balanced by the Department Heads. He stated the resolution the PSC wants approved should be forgiving anything over \$130,000.00. The City will levy \$302,147, an increase of \$2,147. Winters stated with the TIF Increments total City levy will be \$400,821.00. We will receive our total Assessed Value after the Board of Review adjourns, which calculates our Mill Rate.

Chief Anderson stated he understands that we are in hard times and everyone is willing to do their share to save. He believes we have accomplished that by working together. Street Superintendent Berry agreed and stated that they will maintenance all the equipment that they can to save money. He

THE MINUTES ARE DRAFT AND SUBJECT TO COMMITTEE APPROVAL

was pleased with the increased line item in Streets. There are updates that are needed in the Sewer Department.

Winters stated the PSC has suggested another simplified rate increase in 2016. As for a Sewer increase, that is not regulated by the PSC.

Roseberry questioned adding the US Cellular funds to the Budget. Mr. Cohen stated when we start receiving the funds, the budget can be amended anytime.

Mr. Cohen was commended for all his effort on the budget.

**Motion by Pantaleo, second by Hilson to Adjourn. All voted aye.**

Julie Roseberry/jlw  
Committee Chairperson

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**NEXT COMMITTEE MEETING(s):** October 19 - 5pm